



AmericanPacific

BORATES LIMITED

ASX Announcement

ASX Code: ABR

ACN: 615 606 114

8 March 2021

ABR CONTINUES TO PROGRESS US LISTING STRATEGY

HIGHLIGHTS

- US listing strategy progressing
- Positive partner discussions ongoing
- Accelerated Fort Cady Borate Mine development schedule prepared to support partner discussions with market opportunities emerging to fast track production
- Search commenced for additional US based directors to support US listing strategy
- Over US\$40m now committed to Phase 1A construction with initial borate production on track for Q3, CY2021
- ABR remains fully funded for Phase 1A construction with A\$60.6m cash at bank as at 28 February 2021

American Pacific Borates Limited (ASX:ABR) ("ABR" or the "Company") is pleased to provide an update on its corporate and project activities as it moves towards initial production of borates in Q3, CY2021.

Commenting on the Company's activities, ABR CEO and Managing Director, Mike Schlumpberger said:

"At a corporate level we continue to progress positive partner discussions and have completed an accelerated mine schedule to support these discussions. Our US borate market consultant has also advised the US borate market is tightening and prices are moving higher which is great news for us as this suggests that the market is looking for new sources of supply and that our first production this year is perfectly timed. It is also becoming evident that we may need to accelerate our construction to support US market demand.

With this back drop, we continue to progress our US listing as a priority. We have a very rare borate mine located in the US that we expect US markets to support as we continue to educate the market on the strategic value of borates in the context of a growing market.

At a Fort Cady Borate Mine level, we have now committed over US\$40m to Phase 1A construction and remain on track for first production in Q3, CY2021. Importantly, we had A\$60.6m cash at bank as at 28 February 2021 which is sufficient to support the entirety of the balance of Phase 1A construction, working capital and overhead for the current calendar year at a minimum."

COMPANY DIRECTORS

David Salisbury – Non-Executive Chairman

Michael X. Schlumpberger – Managing Director & CEO

Anthony Hall – Executive Director

Stephen Hunt – Non-Executive Director

Jimmy Lim – Non-Executive Director



ISSUED CAPITAL

376.2 million shares

59.9 million options

REGISTERED OFFICE

Level 12, 197 St Georges Terrace, Perth
WA, 6000, Australia

US OFFICE

16195 Siskiyou Road. #210,
Apple Valley, CA, 92307, USA

CONTACT

T: +61 8 6141 3145
W: americanpacificborates.com



US Listing Strategy

ABR remains committed to enabling the trading of its shares on a US exchange. The Company is currently considering two options to list its shares on the NASDAQ and expects to commit to one of these options this month with a view to potentially being listed on NASDAQ in June or July 2021.

In preparation for the listing, the Company has commenced a process to secure additional US based directors. The Company is reviewing several CVs and expects to announce appointments shortly.

The Company continues to work with US investment banks on the US listing. The Company held a number of US investor meetings during February 2021 and the feedback received from these meetings will be used to inform the US listing strategy.

Partner Discussions

Positive partner discussions are ongoing and are expected to conclude over the coming months. The Company's focus is on securing sales and marketing partners to support sales of SOP and boric acid into the US.

Accelerated Fort Cady Borate Mine Development Schedule

To support the partner discussions, ABR has prepared an accelerated Fort Cady Borate mine development schedule. This schedule fast tracks construction and brings forward meaningful production of both SOP and boric acid. The schedule is conceptual only but has been made possible by the decoupling of boric acid and SOP operations released in the Company's updated eDFS (refer ASX release dated 4 February 2021).

Fort Cady Borate Mine Construction and Financing

ABR has now committed over US\$40m to the construction of Phase 1A of the Fort Cady Borate Mine. Initial production of borates remains on track for Q3, CY21.

As at 28 February 2021, the Company had A\$60.6m cash at bank which is sufficient to support the entirety of the balance of Phase 1A capex, working capital and overheads for the current calendar year at a minimum.

- ENDS -

Authorised for release by: Michael X. Schlumpberger, Managing Director.

For further information contact:

Michael X. Schlumpberger
Managing Director
Ph: +1 442 292 2120

Anthony Hall
Executive Director
Ph: +61 417 466 039

Elvis Jurcevic
Investor Relations
Ph: +61 408 268 271



About American Pacific Borates Limited

American Pacific Borates Limited is focused on advancing its 100% owned Fort Cady Borate Mine Project located in Southern California, USA. Fort Cady is a highly rare and large colemanite deposit and is the largest known contained traditional borate occurrence in the world not owned by the two major borate producers Rio Tinto and Eti Maden. The JORC compliant Mineral Resource Estimate and Reserve is presented below. Importantly, it comprises 13.93Mt of contained boric acid.

In excess of US\$80m has been spent at Fort Cady, including resource drilling, metallurgical test works, well injection tests, permitting activities and substantial small-scale commercial operations and test works.

An updated enhanced Definitive Feasibility Study ("eDFS") was completed in February 2021 (ASX release dated 4 February 2021¹). The updated eDFS has production targets of 450ktpa of boric acid and 400ktpa of SOP in full production. Financial metrics include an unlevered post tax NPV₈ of US\$2.02bn, an unlevered post tax IRR of 41% and an EBITDA in the first full year of production of US\$453m.

The Company is currently in construction of the initial phase of the Fort Cady Borate Mine with first production targeted for Q3, CY2021.

JORC compliant Mineral Resource Estimate and Reserve (ASX release dated 3 December 2018²)

JORC compliant Mineral Resource Estimate and Reserve						
Reserves	MMT	B ₂ O ₃ %	H ₃ BO ₃ %	Li ppm	B ₂ O ₃ MT	H ₃ BO ₃ MT
- Proven	27.21	6.70	11.91	379	1.82	3.24
- Probable	13.80	6.40	11.36	343	0.88	1.57
Total Reserves	41.01	6.60	11.72	367	2.71	4.81
Resources						
- Measured	38.87	6.70	11.91	379	2.61	4.63
- Indicated	19.72	6.40	11.36	343	1.26	2.24
Total M&I	58.59	6.60	11.72	367	3.87	6.87
- Inferred	61.85	6.43	11.42	322	3.98	7.07
Total M,I&I	120.44	6.51	11.57	344	7.84	13.93

In addition to the flagship Fort Cady Project, the Company also has an earn in agreement to acquire a 100% interest in the Salt Wells North and Salt Wells South Projects in Nevada, USA on the incurrence of US\$3m of Project expenditures. The Projects cover an area of 36km² and are considered prospective for borates and lithium in the sediments and lithium in the brines within the project area. Surface salt samples from the Salt Wells North project area were assayed in April 2018 and showed elevated levels of both lithium and boron with several results of over 500ppm lithium and over 1% boron.

¹ ABR confirms all material assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2.

² ABR confirms all material assumptions and technical parameters underpinning the Resource Estimate and Reserve continue to apply and have not materially changed as per Listing Rule 5.23.2



Location of the Fort Cady and Salt Wells Projects in the USA

Forward Looking Statements

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.